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WELLS FARGO & CO. and WELLS
7 FARGO BANK, N.A. (erroneously sued as
WELLS FARGO HOME MORTGAGE,
8 INC.)

9
10 UNITED STATES DISTRICT COURT
11 NORTHERN DISTRICT OF CALIFORNIA
12

13 GREGORY YOUNG; ODETTA YOUNG;
EDWARD HUYER and CONNIE HUYER,
14 on behalf of themselves and all others
similarly situated,

15 Plaintiffs,

16 vs.

17 WELLS FARGO & CO., and WELLS
18 FARGO HOME MORTGAGE, INC.,

19 Defendants.
20

Case No.: CV 083735 SI

**DECLARATION OF KEITH SCHARES
IN SUPPORT OF WELLS FARGO'S
MOTION TO TRANSFER PURSUANT
TO 28 U.S.C. § 1404(a)**

21 I, Keith Schares, hereby declare:

22 1. I am a Vice President – Loss Control/Claims/Property Preservation of Wells
23 Fargo Bank, N.A. (“WFB” or the “Bank”). I have worked with WFB for 17 years. My job
24 responsibilities include management and day-to-day oversight of WFB’s mortgage loan default
25 servicing business. I have personal knowledge of the matters set forth below and could and
26 would testify competently thereto.
27
28

1 2. I have read the complaint filed by plaintiffs Gregory Young, Odetta Young,
2 Edward Huyer and Connie Huyer ("Complaint").

3 3. WFB is a national banking association, chartered and with a principal place of
4 business in South Dakota.

5 4. WFB is a subsidiary of Wells Fargo & Company ("WFC"), which is named as a
6 defendant in this action. WFC is a bank holding company headquartered in San Francisco. It is
7 primarily composed of a board of directors who delegate the daily routine of conducting WFB's
8 business to WFB's officers and employees. The directors fulfill their fiduciary and legal
9 obligations to WFC, but they are not involved in the administration of WFB's mortgage
10 business, and they were not involved in the creation, execution or supervision of the particular
11 policies and practices at issue in this action, i.e., the assessment of fees against borrowers in
12 default. WFC has few officers and employees of its own, but the only ones who are involved in
13 these policies and practices live and work in the West Des Moines area of Iowa.

14 5. Wells Fargo Home Mortgage ("WFHM" or "the mortgage division") is WFB's
15 residential mortgage loan origination and servicing division. "Wells Fargo Home Mortgage,
16 Inc." is named as a defendant in this action. Prior to May 8, 2004, "Wells Fargo Home
17 Mortgage, Inc." did exist; it was a corporation, and a subsidiary of WFB. On that date, however,
18 it was merged into WFB. Thus, WFHM no longer exists as a separate corporation or legal entity.
19 Rather, it is the mortgage division of WFB, a national bank.

20 6. WFHM does not have headquarters in California, as alleged in paragraphs 85 and
21 90 of the Complaint. WFB's mortgage division is headquartered in a 400,000-square-foot
22 building in Des Moines, Iowa where more than 1,400 employees work. Another 3,400 WFHM
23 employees work at the Bank's West Des Moines Campus, which is a four-building complex that
24 houses 960,000-square-feet of office space on 176 acres. The WFHM employees who work in
25 these facilities live in Des Moines or its suburbs.

26 7. The chief officers and many of the employees responsible for WFHM's mortgage
27 business are located in these offices in Des Moines. These include the co-Presidents of WFHM,
28

1 the Vice President - Head of Mortgage Servicing, and the Vice President - Loss
2 Control/Claims/Property Preservation. The Bank has officers and employees in other states,
3 including California. However, the officers and directors who work in the mortgage division,
4 WFHM, and who are responsible for developing, implementing and managing the policies,
5 practices and procedures at issue in this action, i.e., the assessment of fees to borrowers in
6 default, are all located in the West Des Moines area. None of these persons is located in
7 California. The WFHM officers and employees in Des Moines would be able to testify about its
8 loan servicing operations and its policies and procedures concerning the assessment of fees to
9 borrowers in default, including the purpose and application of property inspection and late fees,
10 which are at issue in this action. Such potential witnesses would include me, Sherilee Massier,
11 Loan Administration Manager and Melissa Keller, Loan Administration Manager. All three of
12 us live and work in the West Des Moines area of Iowa. WFHM's procedures for charging fees
13 to its real estate borrowers were not devised, implemented or directed from California, as alleged
14 in paragraphs 85 and 90 of the Complaint.

15 8. Policy and procedure manuals and guides regarding the assessment of fees to
16 borrowers in default are maintained on the WFHM intranet, but changes to those policies and
17 procedures are directed by employees at WFHM headquarters in Des Moines.

18 9. WFHM maintains loan servicing records which include, among other information,
19 the fees assessed to borrowers' accounts. These servicing records are stored on WFHM's
20 mainframe computer system known as the Fidelity System. Plaintiffs refer to this system in their
21 complaint as the "Fidelity Mortgage Servicing Package" or "Fidelity MSP." Complaint, ¶¶ 2,17.
22 Computer servers for the Fidelity System are not located in California. Rather, they are
23 maintained in Jacksonville, Florida and Little Rock, Arkansas. WFHM employees responsible
24 for operating the Fidelity System are located throughout the United States, including Des
25 Moines, Iowa. These employees in Des Moines, Iowa are the persons knowledgeable about how
26 that system is programmed.

10. WFHM contracts with three vendors to conduct inspections of properties which secure its mortgage loans. Those vendors are First American Field Services, Inc. ("First American"), LPS Field Services, Inc. ("Fidelity") and Mortgage Contracting Services, LLC ("MCS"). Contacts for First American are located in Texas; contacts for LPS are located in Ohio; and, contacts for MCS are located in Florida.

11. WFHM's agreements with these vendors, and other records pertaining to its relationship with these third party vendors, are located in Des Moines.

12. According to WFB's records, plaintiffs Gregory and Odetta Young reside in New Jersey, not California. The first mortgage which the Youngs obtained to buy their home (see Complaint, ¶12) was signed in New Jersey, not California; a true and correct copy of that mortgage is attached as Exhibit A. WFB's address, which is listed as the Lender's address on the mortgage, was P.O. Box 5137, Des Moines, Iowa, 50306-5137. The Youngs made mortgage payments by sending those payments to a lock box established by a vendor for WFHM in Newark, New Jersey. None of the Youngs' mortgage payments were ever mailed to California.

13. According to WFB's records, plaintiffs Edward and Connie Huyer reside in South Carolina, not California. The first mortgage which the Huyers obtained to buy their home (see Complaint, ¶13) was signed in New Jersey, not California; a true and correct copy of that mortgage/deed of trust is attached as Exhibit B. WFB's address, which is listed as the Lender's address on the mortgage, was P.O. Box 5137, Des Moines, Iowa, 50306-5137. The Huyers made mortgage payments by sending those payments to a lock box established by a vendor for WFHM in Dallas, Texas. None of the Huyers' mortgage payments were ever mailed to California.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 3 day of October, 2008 in Des Moines, Iowa.



Keith Schares